Mr. T. M. Krishna Menon.—Pay the money and take the article.

Mr. A. S. Harihara Ayyar.—The nature of the articles they require and t e price.

Deputy President.—They are expected to know that.

Mr. A. B. Salem.—These are all matters of detail.

Deputy President.—Government accepts the resolution.

Mr. A. B. Salem.—I thank the Government for that.

Diwan Bahadur Dr. V. Verghese.—Already accepted.

Mr A. B. Salem.—The principle has been accepted. We bring a resolution, and the resolution has to be formally accepted. Some say from there "alrea ly accepted". Who wants?

Mr. T. M. Krishna Menon.—We buy Indian cloth. We accept the second part of the resolution.

Mr. P. Nilakanta Menon.—The second part of the resolution. Let there be no misunderstanding.

Mr. T. M. Krishna Menon.—We have our choice.

Deputy President.—Resolution No. 3.

3. Manufacture of stamps and stamp-papers.

Mr. V. V. Anantapadmanabha Ayyar being absent, the following resolution was considered withdrawn:—

Mr. V. V. Anantapadmanabha Ayyar.—"*This Council recommends to the Government to take immediate steps for the local manufacture of stamps and stamp papers*".

4. Land Mortgage Banks.

Deputy President.—Resolution No. 4, Mr. K. T. Mathew.

Mr. K. T. Mathew.—I move

"This Council requests the Government to take immediate steps for starting Land Mortgage Banks in the State".

In moving this resolution I have to bring to the attention of the House that this matter had already been brought to the consideration of the Government by the Hon'ble Member for Vadakkancheri. It is now, therefore, necessary for me to speak much upon the resolution. I hope the matter has received the attention of the Government and shall speak further on hearing what the Government have to say.

Mr. P. Kumaran Ezhuthassan.—I second the resolution.

Deputy President.—What is the Government view? Is it not opposed by anybody on your side?

Dr. A. G. Menon.—When it comes to the question of voting, after hearing the Government side, we will settle.

Rama Varmha Tampuran.—We shall go by the sense of the House.

Dr. A. G. Menon.—So the Government side will not take part in the voting.

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Deputy President.—Does anybody desire to say anything? Is there anybody opposing ?

Mr. K. T. Mathew.—There is no necessity for putting it to the votes.

Mr. T. K. Nayar.—If the Government do not oppose, they should accept. It need not be put to votes.

Rama Varmha Tampuran.—Government cannot accept the resolution. It that is the view of the Council, they will consider.

Mr. T. K. Nayar.—Nobody to oppose.

Mr. A. B. Salem.—Well, Sir, we want the matter to be put to the votes.

Mr. K. T. Mathew.—It is not necessary to put it to the votes.

Mr. T. M. Krishna Menon.—Then there is no resolution accepted by the House. It must be put to the votes.

Mr. A. B. Salem.—It has to be put to the votes.

What I beg to submit is that, if this resolution is for the purpose of seeing Land Mortgage Banks in the State,—there is an idea to have them started by the Government—if that is the idea, I oppose it instead of supporting it. If it is only to ask the Government for co-operation to have the movement set on foot in the land, then I give my hearty support. Because, in these matters, if people are given facilities, that will be sufficient. There are certain ways by which the Government can help the starting of a Land Mortgage Bank. We know there is a great difficulty in raising money, and we have got our lands. It is a heavy asset which cannot be liquidated into money very easily. We know the difficulties and the extorted rate of interest which people charge when they want money on the mortgage of lands. If the Government will come forward and say anybody starting a Mortgage Bank will be given remission of stamp duty necessary for the document, it will be a very good impetus given by the Government. No transaction in Land Mortgage Banks need be registered nor the documents stamped. It will be sufficient, if it is passed in the bank and the bank seal is put on it, and the Government would consider that to be tantamount to a registered document.

Deputy President.—That is not the resolution.

Mr. A. B. Salem.—The resolution may mean two ways, Government starting and people starting. If the Government should sink their money, they should manage the bank and tney should work the bank. Then I cannot give the resolution my support. If it is for asking the Government to give facilities for Land Mortgage Banks, then it will have my hearty support.

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So I want to make my position clear. I do not know what the Hon'ble Member who has moved means.

Mr. T. M. Krishna Menon.—In the report of the Royal Commission on Agriculture in India all the difficulties are pointed out—so many difficulties in working. So, we cannot, at this stage, either oppose or accept. The difficulties are strong. We will not be able to do anything in the matter.

Mr. A. B. Salem.—The Government may take some shares.

Mr. T. M. Krishna Menon.—If debentures are issued, the Government may take them and may help them in some way. It is not a question which can be easily solved.

Mr. C. V. Kuriyan.—I second the resolution as it stands.

Deputy President.—Seconded already.

Mr. C. V. Kuriyan.—Then I support it, Sir. The question of Land Mortgage Banks has been agitating the minds of the British Government for so many years, and now that the Economic Development Board is sitting, they are really considering the matter, and I think they have already finished some sittings. It seems their idea is that the very constitution of a Land Mortgage Bank is not within the possibility of private help but that it is only possible to a Government. That is the view held by the Members of the Economic Development Board Committee. In opening Land Mortgage Banks the purpose and scope of such institutions is that long-period loans should be advanced to satisfy the agricultural needs of the population which will never be possible for private banks generally. As a matter of fact, we find short loans will be sufficient for the emergent necessities of agriculture, but we see that these agriculturists also require long-period loans. Then only they can invest capital for intensive cultivation. They can realise in course of time an income in proportion to the capital invested in the land. Now loans are paid generally to the agriculturists for the purchase of seeds, for the purchase of implements and for recurring charges of cultivation. Now, one may ask what is the necessity for a long-period loan? Long-period loan is required to redeem lands from the encumbrances thereon which cannot be redeemed by income derived from annual yield. It is because the encumbrances standing on the property may not be redeemed in that way that they resort to long-period loans. Nobody, no private institution will be willing to advance long-period loans to redeem encumbrances. Nobody will be willing to wait long for repayment of these loans. The question arises who will advance these long-period loans. I can assure this House that only Government will be able to grant long loans. Take the case of our State. As it is, our State has attained good financial sta bility

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We have nearly 86 lakhs as surplus money, a large portion of which can be utilised as advances to the agricultural population in the shape of long-period loans to redeem properties already encumbered to private agencies. One may ask what is the possibility of recovering these long-period loans. Suppose a man has some property worth Rs. 20,000. He has got debts worth Rs. 10,000. The Government assesses the approximate value of the land and also the nature of the encumbrances, knows the rate of interest, knows by what means advances to the debtor can be made good from the income of land. The Government will then assess the property at a very normal rate, and they will issue debentures on the security of such land value. These debentures are the real source of collecting money from the public. If these debentures are issued, the public will come. The public will have confidence only in the Government, not in the property. The Government will not lose their money because there is land mortgaged to them to the extent of debentures. The public will have absolute confidence in the debentures issued by the Government. Then the money raised by the debentures is paid to the debtor who will clear in instalment-repayment. If a private institution is going to issue debentures, I think no person will dare enough to purchase those debentures.

Mr. A. B. Salem.—No person can issue debentures.

Mr. C. V. Kuriyan.—Government can issue, there is no doubt. If the Government can issue debentures, people will be willing to take, for they will have absolute confidence on the Government's financial side. That is why I said I support the resolution as it stands, because the ordinary function of Land Mortgage Banks will be to advance long-period loans, which may not be possible for private institutions. The Government should take steps to redeem all agriculturists from the existing encumbrances which no private institution can possibly do. The time for our State is very opportune seeing that the Government has got a good surplus.

Deputy President.—As for the surplus, they have themselves to utilise that.

Mr. C. V. Kuriyan.—Utilise it by lending loans for agriculture. Why not you tax non-agricultural income? Government can easily find funds without going for a loan. Tax non-agricultural income. Poor people are taxed more. The Government have no idea of taxing non-agricultural professions. Why should not they also be partisans and give contributions to Government? Why? There are so many institutions springing up, so many merchants without paying any tax to the Government. I would strongly insist that, instead of going for loans,

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they should tax non-agricultural income which should be utilised for agricultural purposes. That is why I said it can redeem agriculture from its prostrate condition. It can do all possible services. That help will reach the very doors of the people.

Dr. A. R. Menon.—What is the practice in British India and Travancore? Will the Government be able to state their position?

Deputy President.—Are you in a position to give?

Mr. T. M. Krishna Menon.—I am not in a position to say anything definite. There are only very few Land Mortgage Banks in British India. They say the first of its kind was established in the Punjab. In Madras there are 13, of which, however, only 3 are working. These are all private institutions.

Mr. C. Barton Wright.—Government does not give any pecuniary help.

Mr. T. M. Krishna Menon.—Not in all cases. I cannot tell, because the subject is vast and complicated. I would strike a note of warning that this is not an easy subject to be discussed and resolved upon in a few minutes. If any hasty resolution is passed, the Government may not be able to accept it and it will add one more to our credit of the number of resolutions rejected. I request you not to put us in that awkward situation. The problem is perplexing more experienced countries, and we cannot, therefore, give an assurance about it one way or the other.

Dr. A. R. Menon.—In my opinion, it would be better to bring the same after a thorough study. We are also in the same predicament as the Leader of the Government said. We don't know, I don't know anything about these banks. I am not in a position to vote either for or against. I feel it is a very useful measure. To what extent Government can help, to what extent it would be a success, these are questions which should be considered. Under the circumstances, I think the mover will agree with me in postponing and bringing it again after a period, so that we may understand the details.

Mr. K. T. Mathew.—Government should collect sufficient materials. This is a matter which has already been brought to the notice of the Government by the Member for Vadakkancheri. If the Government will assure that they would collect necessary information and that they would consider seriously this matter, I shall withdraw.

Mr. T. M. Krishna Menon.—I understand that there was a banking committee appointed and that that committee has made a report. That report is under consideration. Along with that this can also be considered.

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Mr. V. D. Ouseph.—Long before.

Dr. A. R. Menon—He is a member of that Bank.

Mr. V. D. Ouseph.—I too was a member.

Mr. P. Krishna Menon.—That committee and the report have nothing to do with Land Mortgage Banks.

Mr. T. M. Krishna Menon.—I say, the position of the Government or its capacity in aiding these institutions will have been enquired into. Banks may be of different character. If, as the Hon'ble Member says, it should be purely a Government concern, that the Government should entirely finance it, the report of the committee may be useful since it had to deal with State-Aided Banks.

Mr. C. V. Kuriyan.—May be State-Aided.

Mr. T. M. Krishna Menon.— That also may be taken into consideration.

Mr. K. Mohamed Seethi.– Is there any scheme established by the Registrar of Co operative Societies? I remember to have seen something done by the Registrar of Co-operative Societies.

Mr. T. M. Krishna Menon.—He wrote an article and published it.

Mr. A. B. Salem.—You may ask the Registrar to examine this question.

Mr. T. M. Krishna Menon.—I shall see whether something can be done.

Mr. K. T. Mathew.—If the Government will consider the matter, I don't press the motion.

Dr. A. R. Menon.–Bring all these in a leisure period.

Deputy President.—So you don't press?

Mr. K. T. Mathew.—No.

The resolution was, with leave, withdrawn.

5. Agricultural Depots.

Mr. V. V. Anantapadmanabha Ayyar being absent, the following resolution was considered withdrawn:—

Mr. V. V. Anantapadmanabha Ayyar.—"*This Council recommends to the Government to start agricultural depots in rural areas, particularly in Panchayat centres*"

6. Standing Finance Committee.

Deputy President.—Resolution No. 6 stands in the name of Mr. K. T. Mathew.

Mr. K. T. Mathew.—Sir, I beg to move the following resolution standing in my name: —

"This Council recommends that the Standing Finance Committee shall be so constituted as to have at least two-thirds of its Members elected by the non-official Members of the Legislative Council'.

I have to point out that this Council is constituted having a large proportion of elected Members. Out of the 45 Mem-

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